

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

\* \* \* \* \*

In the Matter of:

AN EXAMINATION BY THE PUBLIC )  
SERVICE COMMISSION OF THE )  
APPLICATION OF THE FUEL ADJUST- )  
MENT CLAUSE OF BIG SANDY ) CASE NO. 8594  
RURAL ELECTRIC COOPERATIVE )  
CORPORATION FROM NOVEMBER 1, )  
1980, TO OCTOBER 31, 1982 )

O R D E R

Pursuant to 807 KAR 5:056, Sections 1(11) and (12), the Public Service Commission ("Commission") issued its Order on September 23, 1982, scheduling a hearing to review the operation of the fuel adjustment clause of Big Sandy Rural Electric Cooperative Corporation ("Big Sandy") for the past 2 years and to determine the amount of fuel cost that should be transferred (rolled in) to the base rates in order to reestablish the fuel adjustment charge.

Big Sandy filed all requested information, including its monthly fuel charges for the 2-year period under review. Following proper notice, a hearing was held on January 25, 1983.

The Commission approved a transfer (roll-in) of 3.11 mills per KWH to the base rates of Big Sandy's wholesale supplier, East Kentucky Power Cooperative, Inc., ("East Kentucky") in Case No. 8588. Approval of East Kentucky's proposal requires that Big

Sandy also be authorized to roll in those same fuel costs to its base rates.

The Commission has reviewed the monthly fuel adjustment clause filing made by Big Sandy in conjunction with the schedule of over- or under-recovered fuel costs filed in this proceeding. This review indicates that the Commission should revise the monthly fuel adjustment clause filing form to minimize errors.

The Commission, having considered the evidence of record and being advised, is of the opinion and finds that:

1. Big Sandy has complied in all material respects with the provisions of 807 KAR 5:056.

2. Big Sandy's wholesale supplier has been authorized to transfer (roll in) to its base rates fuel costs of 3.11 mills per KWH in Case No. 8588.

3. Big Sandy should be authorized to increase the rates charged its customers by 3.38 mills per KWH in order to transfer fuel costs rolled in by East Kentucky from the fuel adjustment clause to the base rates pursuant to the Commission's Order in Case No. 8588 and applicable line loss, and this can best be accomplished by an energy adder to each KWH sold.

4. The revised rates and charges in Appendix A are designed to reflect the transfer of fuel costs from the fuel adjustment clause rate to the base rates.

5. The monthly fuel adjustment clause filing form currently being filed by Big Sandy should be revised.

IT IS THEREFORE ORDERED that the charges collected by Big Sandy through the fuel adjustment clause for the period November 1, 1980, through October 31, 1982, be and they hereby are approved.

IT IS FURTHER ORDERED that Big Sandy be and it hereby is authorized to transfer to its base rates fuel costs transferred by its wholesale supplier pursuant to Case No. 8588.

IT IS FURTHER ORDERED that the rates in Appendix A be and they hereby are approved for service rendered by Big Sandy on and after June 1, 1983, which is also the effective date for East Kentucky's rates.

IT IS FURTHER ORDERED that within 30 days from the date of this Order Big Sandy shall file with the Commission its revised tariff sheets setting out the rates approved herein.

IT IS FURTHER ORDERED that the revised monthly fuel clause form in Appendix B shall be used by Big Sandy for all filings made after the date of this Order pursuant to 807 KAR 5:056 to recover or refund fuel charges or credits billed or refunded by its wholesale supplier.

Done at Frankfort, Kentucky, this 3rd day of June, 1983.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

\_\_\_\_\_  
Secretary

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 8594 DATED JUNE 3, 1983.

The following rates and charges are prescribed for the customers in the area served by Big Sandy Rural Electric Cooperative Corporation. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the date of this Order.

SCHEDULE A-1  
FARM AND HOME\*

Rates:

Customer Charge per delivery point	\$5.00	Per Month
Energy Charge	.05973	Per KWH

SCHEDULE A-2  
COMMERCIAL AND SMALL POWER\*

Rates:

Customer Charge per delivery point	\$10.00	Per Month
Energy Charge	.06230	Per KWH

SCHEDULE LP  
LARGE POWER SERVICE\*

Rates:

Demand Charge: \$4.96 per KW of Billing Demand

Energy Charge: \$.04603 Per KWH

Customer Charge per delivery point	\$50.00	Per Month
------------------------------------	---------	-----------

SCHEDULE LPR  
LARGE POWER RATE\*

Rates:

Maximum Demand Charge:

\$4.96 per KW of Billing Demand

Energy Charge: \$.04313 Per KWH

Customer Charge per delivery point \$75.00 Per Month

SCHEDULE YL-1  
YARD SECURITY LIGHT SERVICE\*

Rates:

Flat rate per light per month as follows:

175 Watt	\$ 5.17	Per Month
400 Watt	7.97	Per Month
500 Watt	9.84	Per Month
1,500 Watt	21.51	Per Month..

\*Fuel Adjustment Clause

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale Power Supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve month moving average of such losses. This Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

# MONTHLY FUEL ADJUSTMENT CLAUSE (FAC) Report

COMPANY: \_\_\_\_\_

Appendix B  
Page 1 of 3

POWER SUPPLIER: \_\_\_\_\_

Disposition of Energy (KWH) - Month of: \_\_\_\_\_

1. Total Purchases	_____	Purchased Power -	_____	Month of: _____
2. Sales (Ultimate Consumer)	_____	13. Fuel Adjustment Charge (Credit):	_____	
3. Company Use	_____	A. Billed by supplier	_____	
4. Total Sales (L2 + L3)	_____	B. (Over) Under Recovery (L12)	_____	
5. Line Loss & Unaccounted for (L1 less L4)	_____	C. Unrecoverable - Schedule 2	_____	
	_____	D. Recoverable Fuel Cost (L13 A+B-C)	_____	
	_____	14. Number of KWH Purchased	_____	
	_____	15. Supplier's FAC:	_____	
	_____	\$ per KWH (L13A + 14)	_____	
(Over) or Under Recovery - Month of: _____		Line Loss	_____	
6. Last FAC Rate Billed Consumers	_____	16. Last 12 Months Actual (%) -	_____	
7. Gross KWH Billed at the Rate on L6	_____	17. Last Month Used to Compute L16	_____	
8. Adjustments to Billing (KWH)	_____	18. Line Loss for Month on L17 (%) (L5 + L1)	_____	
9. Net KWH Billed at the Rate on L6 (L7 + L8)	_____	19. Calculation of FAC Billed Consumers	_____	
10. Fuel Charge (Credit) Used to Compute L6	_____	Sales as a Percent of Purchases (100% less percentage on L16)	_____	
11. FAC Revenue (Refund) Resulting from L6 (net of billing adj.)	_____	20. Recovery Rate \$ per KWH (L13D + L14)	_____	
12. Total (Over) or Under Recovery (L10 less L11)	_____	21. FAC \$ per KWH (L20 + L19)	_____	
	_____	22. FAC \$ per KWH (L21 x 100)	_____	

Line 22 reflects a Fuel Adjustment Charge (Credit) of \_\_\_\_\_ \$ per KWH to be applied to bills rendered on and after \_\_\_\_\_, 19\_\_\_\_.

Issued by: \_\_\_\_\_, 19\_\_\_\_. Issued on: \_\_\_\_\_, 19\_\_\_\_.

Title: \_\_\_\_\_

Address: \_\_\_\_\_ Telephone: \_\_\_\_\_

SCHEDULE 1  
TWELVE MONTH ACTUAL LINE LOSS  
FOR FUEL ADJUSTMENT CHARGE COMPUTATION  
FOR \_\_\_\_\_, 198\_\_

	(a) <u>KWH PURCHASED</u>	(b) <u>KWH SOLD</u>	(c) <u>OFFICE USE</u>	(d) <u>KWH LOSSES</u>
Previous twelve months total -				
Less: Prior year-current month total -				
Plus: Current year-current month total -				
Most Recent Twelve Month Total -				

(d) \_\_\_\_\_ ÷ (a) \_\_\_\_\_ = \_\_\_\_\_ Enter on line 16 of the current month's  
(FAC) Report

SCHEDULE 2  
CALCULATION OF UNRECOVERABLE FUEL COST  
DUE TO EXCESSIVE LINE LOSS  
FOR THE MONTH ENDED

1. Purchases For the Month (KWH) \_\_\_\_\_
2. Less Line Loss (10% x L1) \_\_\_\_\_
3. Sales (L1 less L2) \_\_\_\_\_
4. Unrecoverable Fuel Charge Per KWH:
  - a. FAC Rate based on Actual Line Loss  
(Current Month's Report L15 ÷ (100% Less L16) \$ \_\_\_\_\_
  - b. FAC Rate based on 10% Line Loss  
(Current Month's Report L15 ÷ 90%) \_\_\_\_\_
  - c. Increment unrecoverable \$ \_\_\_\_\_
5. Unrecoverable Fuel Cost - (L4c x L3 enter on Line  
13c of current month's FAC report) \$ \_\_\_\_\_

Note: This schedule is to be filed for each month that the 12 month actual Line Loss exceeds 10% and the amount billed by the supplier is a charge. This schedule is not to be filed if the amount billed by the supplier is a credit.